

QM/Fed. SB & DD
Co. (156c)
HBC:mb 11-7-44

NAVY DEPARTMENT
BUREAU OF SHIPS
WASHINGTON 25, D.C.

Nod-1538

27 November 1944

Federal Shipbuilding and Dry Dock Company
744 Broad Street
Newark 2, New Jersey

Gentlemen:

Reference is made to Contract Nod-1538 between your company and the United States of America dated as of 9 September 1940 and to the damage to a Clyde Whirley crane heretofore acquired and installed by you thereunder at a cost of \$50,000. It is understood that the crane was virtually a total loss and has been replaced by another crane, the costs of acquisition and installation of which are stated to be \$62,294.86.

Pursuant to your request for reconsideration the Bureau has decided, subject to your acceptance hereof, to authorize reimbursement to you under the subject contract for the true costs, as determined by the Bureau of Supplies and Accounts, of the acquisition and installation of said replacement crane. This crane shall be treated in all respects as one of the items of facilities under Contract Nod-1538 as amended and title thereto shall vest and be in the United States of America.

The wreckage and remaining parts of the Clyde Whirley crane shall be segregated and preserved by you until the receipt of further instructions from the Bureau.

This agreement and the reimbursement to you of the true costs of said replacement crane under Contract Nod-1538 shall be without prejudice to and the Government hereby reserves any and all rights it may have in connection with the loss of or damage to said Clyde Whirley crane against your company or any third persons or organizations.

You agree, upon request of the Government, to execute and deliver appropriate instruments of assignment and partial assignment of any and all claims, demands, rights and causes of action you may have against third persons or organizations for or on account of damage to and destruction of the Clyde Whirley crane in order to permit recovery by the Government against any such third persons or organizations for the loss of or damage to said crane. In any such action, you agree to assist the Government in securing and giving evidence, obtaining the attendance of witnesses and in preparing for and conducting any such litigation. In the event of any such assignment, the Government agrees to reassign to

your company any such claims, rights, demands or causes of action which may be necessary for the prosecution of any litigation by your company against any third persons or organizations (other than the United States or any of its officers, agencies or departments) to recover the amount of any ultimate loss actually borne by your company as a result of said damage to and destruction of said Clyde Whirley crane.

If the foregoing is satisfactory to you, it is requested that you signify your acceptance thereof upon the two (2) signed and one (1) unsigned copy of this letter enclosed herewith, and return the three copies so accepted to the Chief of the Bureau of Ships at your earliest convenience. You may retain the third signed copy for your files.

Very truly yours,

s/ N. W. Gokey
Contracting Officer
Bureau of Ships

ACCEPTED, as of the
date of this letter:

FEDERAL SHIPBUILDING AND DRY DOCK COMPANY

By s/ L. H. Korndorff
President

cc: SupShip, New York
AstSupShip, Fed. SB&DD Co.
Kearny, N. J.
NCI, Fed. SB&DD Co.
Kearny, N. J.
BuSandA (CIS) K-2016
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